

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 01-0362

**Individual Income Tax
Calendar Year 2000**

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ISSUE(S)

I. Tax Administration – Interest

Authority: IC 6-8.1-10-1; 45 IAC 15-11-1

Taxpayer protests the interest assessed.

STATEMENT OF FACTS

Taxpayer made a tax payment during a valid extension period that was made after the original due date of the return. IC 6-8.1-8-1.5 clearly states that payment is first applied to penalty, interest, and finally the tax liability. The application of taxpayer's payment resulted in a tax balance due that accrued interest. Taxpayer protests the interest assessed on the penalty and states that the state took a year to contact him about the penalty owed.

I. Tax Administration – Interest

DISCUSSION

Taxpayer requests that the Department waive the interest assessed because the state did not notify him of the penalty due until a year later. There was no interest assessed on the penalty. Interest was only assessed on the tax balance due after payment was applied according to the requirements of IC 6-8.1-8-1.5.

FINDING

The Indiana statute does not allow a waiver of interest. Taxpayer's protest is denied.